

CHOICE Board Remarks

January 18, 2007

******Thank you, Mr. Chairman, Members of the CHOICE Board, Chairman Stallons, Commission on Aging, Colleagues and Guests******

I want to wish everyone a Happy New Year.. It is hard for some – and not hard for others – to believe that I have now been here for over a year.....With that, I would like to offer my first “State of the Division” briefing...

It is a profound understatement to say that 2006 was a pivotal year in the history of long term care in the State of Indiana. After years of conversations, workgroups, task forces and summit meetings the fundamental blocking and tackling of the aging reform agenda was addressed in a style that maximized action and minimized further delays. After unveiling my plan for 2006 to Secretary Roob, he had a one word response “Go”. From that day forward I exhorted my staff with the mantra of “Go Means Go!” In my opinion, they exceeded expectations.

During 2006 the “Unfinished Business” that had accumulated over many years was finally addressed. The financial exercises needed to adopt Uniform Financial Eligibility (aka, 300% SSI) were completed and the policy adopted. Waiver reimbursement rates were raised for the first time in years and CHOICE reimbursement rates were standardized from over 235 rates for 52 services to 52 rates for 52 services. 3,500 waiver slots were opened and the number of waivers was reduced from 4 to 2. Most importantly, we began to “brand” our long term care services as a single program – Options – as opposed to “nursing homes” and “everything else”.

The results of this effort – called the Capacity Framework Project – are significant. The waiver wait lists have gone from a combined total of over 3,000 to just 550 (as of this morning). More importantly, the waiver is now “open”, which means we are not limiting the number of new consumers added to the rolls. Provider recruitment for home- and community-based services is ahead of schedule: On July 1, 2006 there were 22 certified assisted living providers, 35 certified adult day service providers, and zero adult foster care homes. As of January 1, 2007 there are 47 certified assisted living providers, 38 certified adult day service providers and we now have the first 22 certified adult foster care homes in the history of the state. Financially, we are in excellent shape, with a projected 1% surplus projected for fiscal year 2007, which amounts to just over \$14 million on a budget of \$1.414 billion.

The Capacity Framework Project was the first of three phases the Division of Aging will go through as part of our effort to rebalance long term care spending. The second phase is the development of the Elder Affairs Network, which links the healthcare delivery programs (NF, AL, etc.) with the support services that limit access to these services and is coordinated through a statewide communication network. As you know, I recently conducted a series of statewide listening sessions to collect public input regarding how we should proceed with developing this network, with special focus on transportation, housing, nutrition, and service coordination. Over 600 pages of public comment resulted, and we are working with our colleagues at IAAAA to synthesize this data. The result will be a set of recommendations that will be used to make direct investment in all of

these support services. It is also my sincere hope that a combined CHOICE board and COA – the new Indiana Elder Affairs Commission - will assist me in carrying out the task of ensuring that these coordinate services are delivered in a manner that guarantees access to our most frail seniors and adults with disabilities.

So what's "Phase 3"? What I would like us to contemplate is a much broader network of communities across Indiana that is recognized for their innovation and resourcefulness in encouraging "aging in place". Indiana is fortunate to have one of 41 naturally occurring retirement communities (NORCs) that are in existence in the United States. We have asked the Indianapolis NORC to assist us in studying the model and determining if it might be applicable on a broader, state-funded basis here in Indiana. New York State has just begun funding this concept and one of their first sites is in Harlem. I hope to have our staff visit there soon to begin the due diligence process. These "Communities for Life" – a concept I have shamelessly appropriated from my home state of Ohio - would be funded in large part through state grants and would be charged with ensuring that there were effective supports for aging in place within their communities. This would require accessing all of the healthcare delivery services within the Options program, utilization of the CHOICE program, and the coordination of community supports - such as transportation – that would allow communities to adapt to their aging population.

I would be misleading you if I made the assertion that all of this progress has been achieved by the Division of Aging alone. Our network of stakeholders has been instrumental in this process, even when we may have – to put it mildly – disagreed. However, I think that for the most part there has been a balance between my "Go Means Go!" mindset and the somewhat more conservative approach of many advocacy groups. There are three very specific examples that I would like to provide:

- Adult Foster Care: I was adamant about using 4 consumers as the limit per home. After listening to the thoughtful comments from Michelle Niemeyer and Nancy Griffin on this issue I changed my position and now support a limit of 3. We can address the revenue issues with providers through reimbursement changes. Basically, I was convinced by others that this was the right thing to do.
- Consumer Directed Attendant Care: My good friend and distinguished veteran Richard Simers did more for this program than anyone and I'm not sure he even knows it. I was invited to speak at the Southern Indiana Center for Independent Living by another distinguished veteran – Al Tolbert – and first met Mr. Simers' granddaughter, who had become his primary caregiver. At the time we had a restriction on self-directed care that did not allow the caregiver to reside in the same home as the consumer. Based on that one visit I pursued a change to that restriction that I am pleased to say we will be making effective immediately. It will now forever be known as the "Simers Rule".
- Closure and Conversion Fund: The closure of nursing homes was originally part of my plan for making us financially viable throughout our aging reform agenda. It was unpopular with many advocates from the beginning because of the potential risk of transfer trauma. My dilemma was how to do everything else and sacrifice the net benefit gained from the closures. During this time period I heard several very lucid and well developed arguments – primarily from Michelle Niemeyer – that convinced me that it was going to compromise the safety of consumers and could derail the entire Options program. I now agree with her point of view. I also visited Flora, IN, where a nursing home closed and

completely devastated a community. Mitch Roob tells us that good public policy is about doing the right thing the right way. At the end of the day the closures were not the right way and it was the input I received from others that turned the tide.

So, to all of my stakeholders I say “thank you”. I won’t stop being me and I will remain aggressive in pushing the agenda, but you should now be convinced that I actually do listen. Mr. Chairman, you have been one of these voices as well, and I thank you for that input and for your exceptional leadership of this board.

Within the next few weeks we will be scheduling a formal announcement by Secretary Roob about our successful pursuit of the federal Money Follows the Person Grant. Seventeen of thirty-eight states who applied for this pool of \$1.75 billion were awarded grants. Indiana will receive approximately \$21 million over the next five years to pursue transition of nursing facility residents into community-based settings. Special recognition must go to Assistant Director Brown, who we now call the “\$21 Million Woman”. This grant award is a testament to her skill and determination. I guess we are not “pre-preliminary” anymore.

There will be few new twists in the Secretary’s speech that will involve the expansion of some nutrition programs, the opening of slots in our traumatic brain injury waiver for the first time since 2003, and rate increases for HCBS services in FY 2008. It will also include an announcement related to a broad quality assurance initiative that the Division of Aging will undertake to ensure that we continue to provide appropriate supports and protection for our senior Hoosiers and adults with disabilities.

Mr. Chairman, I made over 60 visits to different facilities over the course of 2006 including 48 nursing homes (with 2 overnight stays), assisted living facilities, hospitals, home care agencies, adult day service providers, adult foster care homes, independent living complexes, CCRCs, senior centers, and others. What I can tell you is that our long term care providers serve our consumers with dignity and do God’s work on a daily basis. I can also tell you that the long term care business model is changing and we must continue to provide the incentives and supports necessary to fuel this business model change. “Go Means Go!” has created a revolution in our long term care industry and it must be sustained.

I have one last business item. As many of you know, my partner in this \$1.4 billion enterprise for most of the past 12 ½ months has been my Deputy Director, Dorothy Henry. I should say “silent” partner because it was Dorothy who took care of all the details involved in creating our division while I was out sleeping in nursing homes. I just want to tell her publicly that there is no way I could have done it without her and she deserves the gratitude of the entire aging network in Indiana. Please join me in wishing her luck in her new role in the Secretary’s office. Yes, I have become a victim of the golden rule: He who has the gold makes the rules. At the same time I have the pleasure of welcoming Julia Holloway to the Division of Aging as our new Deputy Director. Julia is a familiar face to many of you and I look forward to working with her.

I am prepared to answer any questions you may have.....